

City of Rockville Environment Commission

Sustainable Development and Energy Committee (SDEC)

Meeting Minutes

Tuesday July 27, 2010

Diamondback Terrapin Room, City Hall

7:00 pm

1. Welcome / Agenda Review/ Minutes Adoption

Chair Seth Adams called the meeting to order at approximately 7:00 pm.

In attendance from the SDEC: Chair Seth Adams, Christine Davidson-McCord, Laura Schlee and staff liaison Erica Shingara.

2. Introduction of Guests

Introduction of members of the Rockville Chamber of Commerce: Andrea Jolly (Rockville CC), Daniel Outen (JBG Companies), Jonathan Gritz (Tower Oaks), and Greg Schindel (Glenmont Heating, Air Conditioning, and Refrigeration).

3. Green Building Tax Credits (SDEC and RCC joint discussion)

A presentation on potential incentives for exceeding the green building code requirements was provided to the Mayor and Council on April 5, 2010. The Mayor and Council questioned if local incentives were needed at this time due to the availability of Federal, State, County, and Pepco incentives; expressed concern over the potential revenue implications of an incentive program; and questioned the general ideology behind incentives and whether they would actually stimulate new green development and redevelopment. The Mayor and Council suggested that the Environment Commission work with the Rockville Chamber of Commerce to evaluate a potential tax credit program.

- The Chamber and SDEC discussed the current market in Rockville, costs of green building, and what the business community needs to achieve exemplary levels of green building performance.
- The Chamber indicated that an incentive for new construction would allow businesses to go the extra step in achieving exemplary performance (Gold/Platinum). LEED Silver can be accomplished with minimal additional costs and should not receive incentives. LEED Gold and Platinum certifications require additional investment that could really benefit from a tax incentive. Expectations for a payback period are generally shorter for commercial projects (2-3 years) than residential projects (5-7 years).
- Given that Rockville is mostly built-out, the Chamber and the SDEC identified existing commercial building as the largest opportunity for improvements and investment. Currently existing buildings do not need to follow the City's green building regulations, unless they are redeveloping or constructing significant renovations or additions. This represents a good opportunity to investment in the community, improve existing building stock and energy efficiency, and improve community sustainability.
- An additional incentive from Rockville could provide a real estate advantage that could sway developers/property owners to choose to invest in Rockville.

- However, LEED-EB is biased toward owner-occupied buildings. A tax credit may not benefit tenants.
- An incentive would increase the demand for greening the trades. The City may consider future training for contractors.
- Next steps: Chamber members will provide the City with cost estimates for achieving LEED EB/NC Gold and Platinum certification. The SDEC and staff will develop a draft proposal for joint discussion at the next meeting.
- The SDEC suggested moving the next monthly meeting to August 31, 2010 so that the Chamber could attend and further discuss a draft proposal. A proposal could be brought to Finance and Legal for review and then to the M&C.

4. Review of Environment Commission Annual Report

Reviewed the SDEC accomplishments and goals in the draft annual report and suggested revisions:

- Change title to Sustainable Development and Energy Committee
- Seth Adams will submit text revisions for green building accomplishments and future goals (to include incentives and an updating the Sustainability Strategy).
- Erica Shingara will submit revisions for commercial energy incentive workshop.

5. Member News / Announcements / Upcoming Events

- None.

6. Wrap-up and Adjourn

The next SDEC meeting will be moved from August 24 to **Tuesday, August 31, 2010** at the Rockville City Hall so that the Chamber can attend to further discuss the green building tax credit proposal. The meeting was adjourned at approximately 8:30 pm.